

# **EXHIBIT A**

Corporate Trust Services  
190 South LaSalle Street  
Chicago, IL 60603

***THIS TRANSMITTAL CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. PLEASE EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.***

**NOTICE TO HOLDERS**

**PUTNAM STRUCTURED PRODUCT FUNDING 2003-1, LTD. and PUTNAM STRUCTURED PRODUCT FUNDING 2003-1, LLC**

**AND TO THE PARTIES LISTED ON EXHIBIT B ATTACHED HERETO.**

(CUSIP numbers for Transactions listed on Exhibit A attached hereto and made a part hereof.)

(Notice Date: September 25, 2014)

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Reference is made to that certain (i) Indenture dated as of October 8, 2003, as supplemented from time to time (the “*Indenture*”), by and among Putnam Structured Product Funding 2003-1, Ltd. as Issuer (the “*Issuer*”), Putnam Structured Product Funding 2003-1 LLC, as Co-Issuer and U.S. Bank National Association (as successor trustee to LaSalle Bank National Association), as indenture trustee (the “*Trustee*”), and (ii) Preferred Shares Paying and Transfer Agency Agreement, dated October 8, 2003, by and among the Issuer, U.S. Bank National Association (as successor to LaSalle Bank National Association), in its capacities as PS Paying Agent and PS Transfer Agent, and Walker SPV Limited, pursuant to which the Issuer issued certain Preferred Shares (the “*Preferred Shares*”). Any capitalized terms used herein and not otherwise expressly defined shall have the respective meanings assigned to such terms in the Indenture.

**This notice is being provided to you because the Trustee has entered into a settlement agreement with Lehman Brothers Special Financing Inc. (“*LBSF*”), subject to approval of the Bankruptcy Court, as described below.**

In prior notices, the Trustee informed Noteholders that LBSF disputed the priority of payment of a termination payment allegedly due and payable to LBSF under the terms of a credit swap agreement (the “*Credit Swap Agreement*”) between LBSF and ALTA CDO SPC. One of the Alta Notes was held in the Putnam Structured Product Funding 2003-1 transaction. A payment was received by the Trustee, and distributed to holders, with respect to the Alta Note.

As you will recall, LBSF commenced an adversary proceeding on September 14, 2010 styled *Lehman Brothers Special Financing Inc. v. Bank of America, et al.*, Adversary Proceeding Number 10-03547 (the “*Adversary Proceeding*”) in the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”), seeking, among other things, to

recoup the liquidation proceeds from the termination of the Credit Swap Agreement, which the Trustee has distributed to Noteholders.

The Trustee and the Collateral Manager, Putnam Advisory Company, LLC, participated in a mediation with LBSF as required by the Amended Order Providing For Alternative Dispute Resolution Procedures for Affirmative Claims of the Debtors Under Derivatives Contracts with Special Purpose Vehicle Counterparties entered by the Bankruptcy Court on July 18, 2012 [ECF 29507]. The result of the mediation is a settlement agreement between, *inter alia*, the Trustee and LBSF, approval of which is pending before the Bankruptcy Court (the “*Settlement Agreement*”). The Settlement Agreement, if approved, provides that the Trustee will pay a confidential amount to LBSF to settle the dispute, and LBSF will dismiss with prejudice any and all claims made in the Adversary Proceeding relating to Putnam Structured Product Funding 2003-1’s share of the liquidation proceeds. In addition, the Settlement Agreement provides that each of LBSF, Lehman Brothers Holdings Inc. (“LBHI”), as the credit support provider for LBSF under the Credit Swap Agreement and as bankruptcy plan administrator for LBSF and LBHI, releases, among others, U.S. Bank, individually and as Trustee, and any and all current or former holders of the Putnam Structured Product Funding 2003-1 Notes or Preferred Shares, from any and all claims, whether known or unknown, arising from or related to the Notes and covenants never to commence or assist in any action regarding the same.

The Settlement Agreement is confidential. However, the Trustee is permitted to share a copy of the Settlement Agreement with holders of Notes or Preferred Shares who execute a confidentiality agreement. To obtain a copy of the confidentiality agreement, please contact the Trustee in writing as follows:

Mamta Scott  
U.S. Bank National Association  
Global Corporate Trust Services  
190 South LaSalle Street  
Chicago, Illinois 60603  
mamta.scott@usbank.com

A hearing is scheduled in the Bankruptcy Court in the case entitled *In re Lehman Brothers Holdings, Inc.*, Case No. 08-13555, on November 7, 2014 at 10:00 am (Prevailing Eastern Time) with respect to the motion seeking approval of the Settlement Agreement (the “*Motion*”). (ECF No. 46364). **ANY OBJECTIONS TO THE SETTLEMENT AGREEMENT MUST BE FILED WITH THE BANKRUPTCY COURT ON OR BEFORE 4:00 PM PREVAILING EASTERN TIME ON OCTOBER 31, 2014** in accordance with the related Notice of Motion (ECF No. 46364), and served upon (i) the chambers of the Honorable Shelley C. Chapman, One Bowling Green, New York, New York 10004, Courtroom 623; (ii) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Jacqueline Marcus, Esq. and Richard L. Levine, Esq., attorneys for the Plan Administrator; (iii) the Office of the United States Trustee for Region 2 (the “*U.S. Trustee*”), U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014, Attn: William K. Harrington, Esq., Susan Golden, Esq. and Andrea B. Schwartz, Esq.; and (iv) Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603, Attn: Franklin H. Top, III, Esq., attorney for U.S. Bank National Association, as Trustee.

Receipt of this notice should not be construed as evidence or acknowledgment of any requirement applicable to, or of any right or authority on the part of any recipient under the Indenture to direct, the matters addressed herein, or of any obligations on the part of the Trustee with respect thereto, and the Trustee expressly reserves all rights in determining appropriate actions and requirements concerning these matters.

Prior to any distribution, funds held under the Indenture may be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to the Trustee. These include, but are not limited to, compensation for time spent, and the fees and costs of counsel and other agents employed, to pursue remedies, defend claims, or take other actions to protect the interests of the Noteholders and the Issuer, respectively. The Trustee is not required to expend or risk its own funds in connection with any matter under the Indenture.

**The Trustee makes no recommendations and provides no investment, legal or tax advice with respect to the Settlement Agreement, in connection with the Notes, Preferred Shares, Indenture or otherwise. Each holder should seek advice from an independent advisor based on such holder's particular circumstances.**

The Trustee reserves all rights under the Indenture. Please be aware that the Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole source of information.

U.S. Bank National Association,  
as Trustee

**Exhibit A**  
(CUSIPs)

<b><u>Class</u></b>	<b><u>Cusip<sup>1</sup></u></b>
<b>Class A-1LT-a</b>	<b>74686PAE0 / G7302PAE7</b>
<b>Class A-1LT-b</b>	<b>74686PAF7 / G7302PAF4</b>
<b>Class A-1LT-c</b>	<b>74686PAG5 / G7302PAG2</b>
<b>Class A-2</b>	<b>74686PAH3 / G7302PAH0</b>
<b>Class B</b>	<b>74686PAJ9 / G7302PAJ6</b>
<b>Class C</b>	<b>74686PAK6 / G7302PAK3</b>
<b>Preferred Shares</b>	<b>74686R205 / G73023106</b>
<b>Class S</b>	<b>74686PAA8 / G7302PAA5</b>

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<sup>1</sup> The CUSIP numbers appearing herein are included solely for the convenience of the Holders. The Trustee is not responsible for the selection or use of CUSIP numbers, or for the accuracy or correctness of CUSIP numbers printed on any Notes or as indicated in this notice.